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JEFFERSON PARISH FINANCE AUTHORITY
JEFFERSON PARISH, LOUISIANA

Financial Statements and Schedules

December 31, 2006 and 2005

With Independent Auditors' Report Thereon

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JEFFERSON PARISH FINANCE AUTHORITY

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Independent Auditors' Report

The Board of Trustees
Jefferson Parish Finance Authority:

We have audited the accompanying statements of net assets of the Jefferson Parish Finance Authority (the Authority), a component unit of the Parish of Jefferson, as of December 31, 2006 and 2005, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 2007 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Postlethwaite & Netterville

Metairie, Louisiana
May 15, 2007

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JEFFERSON PARISH FINANCE AUTHORITY

Management's Discussion and Analysis

December 31, 2006 and 2005

This section of the Jefferson Parish Finance Authority's (the Authority) financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year that ended December 31, 2006. Please read it in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Authority implemented GASB 34 *Basic Financial Statements – and Management's Discussion and Analysis for the State and Local Governments,* in 2001. The Authority is a component unit of the Parish of Jefferson, Louisiana.

2006

The Authority's net assets represent 2.6% of its total assets. With total assets approximating $264 million, the Authority had changes in net assets of approximately $4 million for the year ended December 31, 2006, a negative return of 1.7% on average assets.

The Authority's financial highlights include:

- The Authority created the 2006A Program through the issuance of $30 million in revenue refunding bonds.
- The Authority created the 2006B Program through the issuance of $28.6 million in revenue refunding bonds.
- The Authority created the 2006C Program through the issuance of $20 million in revenue refunding bonds.
- The Authority's net assets decreased by $4.3 million due primarily to depreciation in the investment market value of its investments in mortgage backed securities.

2005

The Authority's net assets represent 4.9% of its total assets. With total assets approximating $226 million, the Authority had changes in net assets of approximately $3 million for the year ended December 31, 2005, a negative return of 1.3% on average assets.

The Authority's financial highlights include:

- The Authority created the 2005A Program through the issuance of $20.8 million in revenue refunding bonds.
- The Authority created the 2005B Program for use in issuing short-term bonds to recycle funds for its loan programs; $68 million was funneled through this program.
- The Authority's net assets decreased by $2.9 million due primarily to depreciation in the investment market value of its investments in mortgage backed securities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements, and supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Assets.

The Statement of Net Assets reports the Authority's net assets. Net assets, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position. The decrease in the Authority's net assets during 2006 and 2005 is an indicator of a relative decrease in its financial health.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Assets

2006

The Authority's total net assets at December 31, 2006 declined to $6,662, a decrease of 41% from December 31, 2005 (See Table A-1). Total assets increased by $38 million due to an increase in mortgage-backed securities of $36 million and an increase in investments of $1 million. The liabilities increased by $43 million due to the increase in bonds payable of $62 million offset by the payments on the term bonds of $19 million.

Table A-1
Jefferson Parish Finance Authority
(in thousands of dollars)

	2006	2005	Increase (Decrease)
Cash and cash equivalents	$ 2,617	$ 3,025	$ (408)
Investments	101,949	100,906	1,043
Mortgage-backed securities	154,286	118,078	36,208
Other assets	5,381	4,088	1,293
Total assets	264,233	226,097	38,136
Other liabilities	49,919	69,125	(19,206)
Bonds payable	207,652	145,700	61,952
Total liabilities	257,571	214,825	42,746
Net assets			
Restricted for debt	5,073	9,303	(4,230)
Unrestricted	1,589	1,969	(380)
	6,662	11,272	(4,610)
Total liabilities and net assets	$ 264,233	$ 226,097	$ 38,136

2005

The Authority's total net assets at December 31, 2005 declined to $11,272, a decrease of 21% from December 31, 2004 (See Table A-2). Total assets increased by $6.6 million due to an increase in mortgage-backed securities of $5.9 and an increase of $1.2 in investments. The decrease in bonds payable of $9 million is due to the redemptions of bond debt for $30 million and the issuance of a new issue for $21 million.

Table A-2
Jefferson Parish Finance Authority
(in thousands of dollars)

	2005	2004	Increase (Decrease)
Cash and cash equivalents	$ 3,025	$ 3,596	$ (571)
Investments	100,906	99,677	1,229
Mortgage-backed securities	118,078	112,164	5,914
Other assets	4,088	4,022	66
Total assets	226,097	219,459	6,638
Other liabilities	69,125	50,722	18,403
Bonds payable	145,700	154,538	(8,838)
Total liabilities	214,825	205,260	9,565
Net assets			
Restricted for debt	9,303	11,508	(2,205)
Unrestricted	1,969	2,691	(722)
	11,272	14,199	(2,927)
Total liabilities and net assets	$ 226,097	$ 219,459	$ 6,638

Changes in Net Assets

2006

Table A-3
Jefferson Parish Finance Authority's Changes in Net Assets
(in thousands of dollars)

	2006	2005	Increase (Decrease)
Operating revenues:			
Investment income	$ 7,638	$ 7,689	$ (51)
Depreciation in fair value on investments	(4,978)	(2,469)	(2,509)
Investment income on investments	5,330	3,165	2,165
Other	153	100	53
Total operating revenues	8,143	8,485	(342)
Operating expenses	12,753	11,412	1,341
Change in net assets	(4,610)	(2,927)	(1,683)
Total net assets, beginning of the year	11,272	14,199	(2,927)
Total net assets, end of the year	$ 6,662	$ 11,272	$ (4,610)

Operating revenues decreased by 4.0% to $8.1 million. The decrease in revenue is due to the increase in depreciation in fair value on investments as well as the increase in investment income on investments.

Table A-4
Jefferson Parish Finance Authority's Operating Expenses
(in thousands of dollars)

	2006	2005	Increase (Decrease)
Interest on debt	$ 10,825	$ 9,691	$ 1,134
Amortization of bond issuance and other costs	675	484	191
Servicing fees	624	598	26
Other	629	639	(10)
Total operating expenses	$ 12,753	$ 11,412	$ 1,341

Operating expenses increased due to a higher average outstanding bond balance in 2006, thereby increasing interest expense.

2005

The decrease in net assets in 2005 was approximately $2.9 million as compared to a decrease in net assets of $3.1 million in 2004. Total operating revenues increased by approximately 5.1 % to $8.4 million, and total operating expenses increased 2.0% to approximately $11.4 million. The changes in net assets are detailed in Table A-5, operating expenses are detailed in Table A-6.

The decrease in net assets is primarily a result of new bond programs being issued.

Table A-5
Jefferson Parish Finance Authority's Changes in Net Assets
(in thousands of dollars)

	2005	2004	Increase (Decrease)
Operating revenues:			
Investment income	$ 7,689	$ 8,142	$ (453)
Appreciation in fair value on investments	(2,469)	(2,219)	(250)
Other	3,265	2,147	1,118
Total operating revenues	8,485	8,070	415
Operating expenses	11,412	11,190	222
Change in net assets	(2,927)	(3,120)	193
Total net assets, beginning of the year	14,199	17,319	(3,120)
Total net assets, end of the year	$ 11,272	$ 14,199	$ (2,927)

Table A-6
Jefferson Parish Finance Authority's Operating Expenses
(in thousands of dollars)

	2005	2004	Increase (Decrease)
Interest on debt	$ 9,691	$ 9,439	$ 252
Amortization of bond issuance and other costs	484	368	116
Servicing fees	598	674	(76)
Other	639	709	(70)
Total operating expenses	$ 11,412	$ 11,190	$ 222

Operating expenses increased due to a higher average outstanding bond balance in 2005, thereby increasing interest expense.

DEBT ADMINISTRATION

Debt Administration

2006

Total indebtedness for bonds payable was $208 million as of December 31, 2006 compared to $146 million in 2005. The increase in bonds payable is the result of new bond issues. The Authority issued long-term bonds in 2006 consisting of the 2006A Program with bonds payable of $30,000, 2006B Program with bonds payable of $28,645, and the 2006C Program with bonds payable of $20,000.

All bond debt and lease covenants have been met.

2005

Total indebtedness for bonds payable was $146 million as of December 31, 2005 compared to $154 million in 2004. The decrease in bonds payable is the result of ordinary payments on the bonds. The Authority issued long-term bonds in 2005 consisting of the 2005A Program with bonds payable of $20,744.

All bond debt and lease covenants have been met.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Jefferson Parish Finance Authority at (504) 736-6311.

JEFFERSON PARISH FINANCE AUTHORITY

Statements of Net Assets
(in thousands)

For the years ended December 31, 2006 and 2005

	2006	2005
Assets		
Cash and cash equivalents	$ 2,617	$ 3,025
Investment securities at fair value	101,949	100,906
Mortgage-backed securities	154,286	118,078
Accrued interest receivable	1,204	693
Bond issuance costs, net	4,177	3,395
Total assets	$ 264,233	$ 226,097
Liabilities and Net Assets		
Liabilities:		
Bonds payable, net	$ 207,652	$ 145,700
Term bonds	48,800	68,472
Accrued interest payable	1,065	653
Deferred interest payable	54	-
Total liabilities	257,571	214,825
Net Assets:		
Restricted for debt	5,073	9,303
Unrestricted	1,589	1,969
Total net assets	6,662	11,272
Total liabilities and net assets	$ 264,233	$ 226,097

See accompanying notes to financial statements.

JEFFERSON PARISH FINANCE AUTHORITY

Statements of Revenues, Expenses and Changes in Net Assets
(in thousands)

For the years ended December 31, 2006 and 2005

	2006	2005
Operating revenues:		
Investment income on mortgage loans	$ 7,638	$ 7,689
Appreciation (depreciation) in fair market value of investments in mortgage-backed securities	(4,978)	(2,469)
Investment income on investments	5,330	3,165
Servicer release fee	150	71
Miscellaneous revenue	3	29
Total operating revenues	8,143	8,485
Operating expenses:		
Interest on debt	10,825	9,691
Amortization of bond issuance costs and other costs	675	484
Servicing fees	624	598
Trustee fees	86	76
Other operating expenses	543	563
Total operating expenses	12,753	11,412
Change in net assets	(4,610)	(2,927)
Nets assets at beginning of the year	11,272	14,199
Net assets at end of the year	$ 6,662	$ 11,272

See accompanying notes to financial statements.

JEFFERSON PARISH FINANCE AUTHORITY

Statements of Cash Flows
(in thousands)

For the years ended December 31, 2006 and 2005

	2006	2005
Cash flows from operating activities:		
Cash receipts for:		
Investment income on mortgage loans	$ 7,453	$ 7,685
Investment income on investments	5,004	3,191
Cash payments for:		
Interest on debt	(11,031)	(10,178)
Servicing fees	(624)	(599)
Other revenue	153	101
Other operating expenses	(629)	(640)
Net cash provided by (used in) operating activities	326	(440)
Cash flows from noncapital financing activities:		
Bond proceeds	82,220	20,800
Bonds redeemed	(19,595)	(29,067)
Proceeds from term bonds	11,528	68,472
Repayments of term bonds	(31,200)	(50,008)
Bond issuance costs	(1,460)	(744)
Net cash provided by noncapital financing activities	41,493	9,453
Cash flows from investing activities:		
Proceeds from sale of investments	44,401	68,838
Acquisition of investments	(41,422)	(88,743)
Acquisition of mortgage loans	(61,672)	(9,002)
Principal receipts from mortgage loans	16,466	19,240
Net cash used in investing activities	(42,227)	(9,667)
Net increase decrease in cash and cash equivalents	(408)	(654)
Cash and cash equivalents at beginning of period	2,942	3,596
Cash and cash equivalents at end of period	$ 2,534	$ 2,942
Reconciliation of changes in net assets to net cash provided by operating activities:		
Changes in net assets	$ (4,610)	$ (2,927)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Amortization of bond issuance and other costs	675	484
Amortization of bond premium	(674)	(429)
Unrealized (gains) losses on investments	4,978	2,469
Change in assets and liabilities:		
Accrued interest receivable	(511)	18
Accrued interest payable	468	(55)
Net cash provided by (used in) operating activities	$ 326	$ (440)

See accompanying notes to financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Authorizing Legislation

The Jefferson Parish Finance Authority (the Authority) is a public trust, created pursuant to the Constitution and Laws of the State of Louisiana, particularly Chapter 2-A of Title 9 of Louisiana Revised Statutes of 1950, as amended, and the Trust Indenture, dated February 9, 1979, with Jefferson Parish, Louisiana as beneficiary. Pursuant to the Trust Indenture, the Authority is authorized to undertake various programs to assist in the financing and development of home ownership in the public interest within the boundaries of Jefferson Parish, Louisiana.

The Authority has the power to designate its management, the ability to significantly influence its operations and primary accountability for its fiscal matters. However, the Council of the Parish of Jefferson has the ability to remove members of the Authority's Board at will. Consequently, the financial statements of the Authority are included as a component unit of the Parish of Jefferson, Louisiana. This report includes all of the funds of the Authority.

The Authority began operations on August 1, 1979 and currently has separate bond programs as shown with original issuance amounts below:

Date	Issue Name		Amount (in thousands)
September 1, 1982	Single Family Mortgage Revenue Bonds, Series 1982 (1982 Program) (fully redeemed in 1999)	$	19,175
September 1, 1984	Single Family Mortgage Revenue Bonds, Series 1984 (1984 Program) (sold in 1999)	$	31,750
May 1, 1985	Single Family Mortgage Revenue Bonds (except Compound Bonds, Series 1985 interest bonds dated May 21, 1985) (1985 Program) Partially defeased in 1994	$	26,000
October 18, 1994	Taxable Compound Interest Bonds, Series 1994 (partially refunded/ defeased 1985/1994R Program)	$	26,250
August 24, 1987	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A (1987 Program) (defeased in 1998)	$	38,600

(1) Organization and Summary of Significant Accounting Policies (continued)

Date	Issue Name	Amount (in thousands)
October 1, 1988	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988A (1988 Program) (defeased in 1998)	$ 50,000
June 1, 1989	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1989A (1989 Program) (defeased in 2000)	$ 50,000
September 1, 1990	GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1990A (1990 Program) (sold in 2000)	$ 25,000
December 20, 1991	Collateralized Mortgage Obligations, Series 1991A (1991 Program) (sold in 2002)	$ 59,485
December 1, 1993	Single Family Mortgage Revenue Bonds, Series 1993A and 1993B (Refunding) - (1993 Program) (defeased in 2003 by 2003C Program)	$ 28,350
November 30, 1994	Tax-Exempt Agency Mortgage-Backed Securities, Series1994A (1994 Program)	$ 11,835
August 11, 1995	Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A (1995 Program)	$ 12,500
November 26, 1996	Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A (1996 Program)	$ 18,425
May 27, 1997	Single Family Mortgage Revenue Refunding Bonds Securities, Series 1997B (refunded by 1997A program)	$ 2,705
August 28, 1997	Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A (1997A Program)	$ 17,395

(1) Organization and Summary of Significant Accounting Policies (continued)

Date	Issue Name	Amount (in thousands)
November 25, 1997	Tax-Exempt Agency Mortgage-Backed Securities, Series 1997E (1997E Program) (expired in 2000)	$ 15,000
September 1, 1998	Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A1 and A2 and Refunding Securities 1998C1 and C2 (1998AC Program)	$ 37,110
September 1, 1998	Single Family Mortgage Revenue Refunding Bonds, Series 1998D (1998D Program) (expired in 2000)	$ 70,000
July 1, 1999	Single Family Mortgage-Backed Securities Series 1999A1 and A2 and Refunding Securities 1999B1 and B2 (1999AB Program)	$ 51,955
December 1, 1999	Single Family Mortgage Revenue Refunding Bonds, Series 1999C (1999C Program) (defeased in 2003)	$ 75,000
January 15, 2000	Single Family Mortgage Revenue Refunding Bonds, Series 2000A-1 and A-2 and 2001B (2000AB Program)	$ 28,000
June 15, 2000	Single Family Mortgage Revenue Refunding Bonds, Series 2000C1 and C2, 2000D1 and D2, and 2001E (2000CDE Program)	$ 49,400
November 15, 2000	Single Family Mortgage Revenue Refunding Bonds, Series 2000G-1 (2000G1 Program)	$ 14,940
January 10, 2001	Single Family Mortgage Revenue Refunding Bonds, Series 2000G-2 (2000G2 Program)	$ 20,800
June 27, 2001	Single Family Mortgage Revenue Refunding Bonds, Series 2001BC (2001BC Program)	$ 33,004

(1) Organization and Summary of Significant Accounting Policies (continued)

Date	Issue Name	Amount (in thousands)
December 11, 2002	Single Family Mortgage Revenue Refunding Bonds, Series 2002B (2002B Program)	$ 75,000
May 29, 2003	Single Family Mortgage Revenue Refunding Bonds, Series 2003A (2003A Program)	$ 15,600
August 27, 2003	Single Family Mortgage Revenue Refunding Bonds, Series 2003B (2003B Program)	$ 75,000
November 12, 2003	Single Family Mortgage Revenue Refunding Bonds, Series 2003C (2003C Program)	$ 30,817
June 17, 2004	Single Family Mortgage Revenue Refunding Bonds, Series 2004A (2004A Program)	$ 20,000
September 23, 2004	Single Family Mortgage Revenue Refunding Bonds, Series 2004B (2004B Program)	$ 75,000
June 1, 2005	Single Family Mortgage Revenue Refunding Bonds, Series 2005A (2005A Program)	$ 20,000
December 19, 2005	Single Family Mortgage Revenue Refunding Bonds, Series 2005B (2005B Program)	$ 100,000
May 9, 2006	Single Family Mortgage Revenue Refunding Bonds, Series 2006A (2006A Program)	$ 30,000
August 10, 2006	Single Family Mortgage Revenue Refunding Bonds, Series 2006B (2006B Program)	$ 28,645

(1) Organization and Summary of Significant Accounting Policies (continued)

Date	Issue Name	Amount (in thousands)
November 14, 2006	Single Family Mortgage Revenue Refunding Bonds, Series 2006C (2006C Program)	$ 20,000

The 1985 Program was partially defeased in 1994; refunded 1985 bonds were issued in conjunction with the defeasance. Consequently, the 1985 Program title has been changed to the 1994 Program.

Bonds and other obligations issued under the provisions of the Trust Indenture are not a debt or liability of the State of Louisiana, the Parish of Jefferson, or any other political subdivision. The Authority's Board of Trustees is empowered under the Trust Indentures and the bond program agreements to contract with outside parties to conduct the day-to-day operations of the bond programs it initiates. In connection with the programs, the Authority utilizes area financial institutions to originate and service the mortgage notes acquired. In addition, a local area bank has been designated as trustee of the individual bond programs and has the fiduciary responsibility for the custody and investment of funds.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority has no government or fiduciary funds.

The Authority uses fund accounting to report its financial position and results of operations. The accounts of the Authority are organized on the basis of individual programs. The programs, which are administered by a trustee bank, provide for a separate set of self-balancing accounts which account for bonds issued, debt service and bond redemption requirements, investments, and related revenues and operating expenses. These individual programs are aggregated in the financial statements to comprise the fund of the Authority.

The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance.

(1) Organization and Summary of Significant Accounting Policies (continued)

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The Authority's principal operating revenues are the interest and appreciation (depreciation) related to investments and mortgages/mortgage-backed securities. The Authority applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting for its operations unless those pronouncements conflict or contradict GASB pronouncements.

(c) Cash Equivalents

Cash equivalents consist of all money market accounts and highly-liquid investments with a maturity of three months or less at date of purchase.

(d) Investment Securities

Investments are reported at fair value except for money markets and short-term investments, consisting primarily of financial instruments with a maturity of one year or less at time of purchase, which are reported at cost. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities. The investment securities are restricted for the use of the respective programs with the exception of the investment securities in the 1991 Residual Account which are unrestricted.

(e) Bond Issuance Costs

Costs related to issuing bonds are capitalized and amortized based upon the methods used to approximate the interest method over the term of the bonds.

(f) Refinancing Gains (Losses)

Gains and losses associated with refundings and advance refundings are being deferred and amortized as a component of interest expense based upon the methods used to approximate the interest method over the term of the new bonds or the remaining term on any refunded bond, whichever is shorter. The new debt is reported net of the deferred amount on the refunding. The deferred amounts are disclosed in note 4.

(g) Commitment Fees

The Authority receives commitment fees from lenders for designating certain funds for the purchase of mortgage loans originated by the lenders. These nonrefundable fees are deferred, and if the commitment is exercised, recognized over the life of the loan as an adjustment of yield, or if the commitment expires unexercised, it is recognized in changes in net assets upon the expiration of the commitment.

(1) Organization and Summary of Significant Accounting Policies (continued)

(h) Real Estate Owned

Real estate owned, comprised of real estate acquired in partial settlement of loans, is recorded at the related unpaid loan principal balance at the time of foreclosure. Substantially all costs of maintaining real estate owned are reimbursed under various insurance coverages. The excess of the unpaid principal and accrued interest balances over sales proceeds realized is also reimbursed under various insurance coverages.

(i) Estimates

The Authority has made estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the balance sheet in conformity with accounting principles generally accepted in the United States of America.

(2) Cash, Cash Equivalents and Investment Securities

Cash deposits and cash equivalents of $2,617,000 and $3,025,000 at December 31, 2006 and 2005, respectively, are held in financial institutions. Nominal bank balances are covered by federal depository insurance. The remaining December 31, 2006 and 2005 balances were comprised of cash equivalents that were invested in money market funds, of which the underlying assets are guaranteed by the U.S. Government. At December 31, 2006 and 2005, investments were held as specifically as required under terms of the Trust Indentures. These investments include U.S. Treasury bills, U.S. Treasury notes, and guaranteed investment contracts.

The Authority's investments are categorized below to give an indication of the level of risk assumed by the Authority at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Authority's name. The fair values of investment securities and cost values of Guaranteed Investment Contracts (GICS) and their category classification at December 31 are as follows:

(2) Cash, Cash Equivalents and Investment Securities (continued)

	2006		2005	
	Fair Value (in thousands)	Category	Fair Value (in thousands)	Category
U.S. Government Securities - 1991 Program	$ 962	3	$ 1,441	3
Guaranteed Investment Contracts:				
1994 Program	19	-	96	-
1995 Program	26	-	29	-
1996 Program	99	-	127	-
1997A Program	7,998	-	7,941	-
1998AC Program	525	-	259	-
1999AB Program	467	-	253	-
2000AB Program	102	-	63	-
2000CDE Program	457	-	58	-
2000G1 Program	81	-	323	-
2000G2 Program	245	-	407	-
2001BC Program	650	-	396	-
2002B Program	-	-	-	-
2003A Program	433	-	162	-
2003C Program	757	-	565	-
2004A Program	359	-	92	-
2004B Program	-	-	-	-
2005A Program	313	-	20,222	-
2005B Program	48,800	-	68,472	-
2006A Program	4,354	-	-	-
2006B Program	14,183	-	-	-
2006C Program	21,119	-	-	-
	$ 101,949		$ 100,906	

Collateral on the guaranteed investment contracts is not required unless the financial institution does not meet certain investment-rating requirements. These investments are unsecured, and the redemption depends solely on the financial condition of the companies which provided the contracts and their ability to pay. The Authority is subject to credit risk for each of the financial institutions. The Authority requires in its trust indentures relating to its debt issues that the financial institutions meet minimum credit rating. Failure of the financial institutions to meet minimum credit ratings requires the institutions to provide collateral to support the investment contract. At December 31, 2006, the financial institutions met the investment rating requirements and, as a result, no collateral is currently pledged for any program. The Authority's investments in guaranteed investment contracts are not subject to interest rate risk since the financial institutions guarantee the principal and interest on the investment. The individual guaranteed investment contracts are unrated.

(3) Mortgage Loans Receivable

Mortgage loans receivable for the 2003C program consists of the mortgage loan receivable remaining from the 1993 Program and include mortgage loans represented by fully modified mortgage pass-through certificates (GNMA certificates) backed by certain qualifying mortgage loans for single-family residences located within the Parish of Jefferson. Mortgage loan receivable for the 1994, 1995, 1996, 1997A, 1998AC, 1999AB, 2000AB, 2000CDE, 2000G1, 2000G2, 2001BC, 2003A, 2004A, 2005A, 2006A, 2006B, and 2006C programs represents mortgage pass-through certificates (GNMA and FNMA certificates) backed by certain qualifying mortgage loans for single-family residences located within the Parish of Jefferson. The GNMA certificates are fully guaranteed by the United States government; the Authority is not responsible for mortgage loan insurance. The FNMA certificates of the 1994, 1995, 1996, 1997A, 1998AC, 1999AB, 2000AB, 2000CDE, 2000G2, 2001BC, 2003A, 2004A, 2005A, 2006A, 2006B, and 2006C loans are fully guaranteed by the Federal National Mortgage Association, a federally chartered and stockholder-owned corporation. As of December 31, 2006, no loans have been issued for the 2005B program.

In the 1991 and 2003C Programs, each mortgage loan purchased by the Authority is insured for mortgage default under various policies. Additionally, mortgage loans are insured under a master policy of supplemental mortgage insurance and under a master policy of special hazard insurance. Each participating mortgage lender services those loans purchased from it by the Authority and receives compensation for services rendered. The mortgage loans have stated interest rates to the Authority as follows:

1991 Program	7.625%
1993 Program-GNMA	5.900%
1993 Program-First Lien	7.750%
1994 Program	7.990%
1995 Program	7.190%
1996 Program	6.730%
1997A Program	6.580%
1998AC Program	6.220%
1999AB Program	6.745%
2000AB Program	7.490%
2000CDE Program	7.320%
2000G1 Program	5.630%
2000G2 Program	6.500%
2001BC Program	6.740%
2003A Program	5.35% and 5.95%
2003C Program	5.28% and 5.88%
2004A Program	6.360%
2005A Program	5.900%
2005B Program	-
2006A Program	4.900%
2006B Program	5.25% and 4.60%
2006C Program	5.000%

(3) Mortgage Loans Receivable (continued)

The fair values of GNMA and FNMA certificates and mortgage loans receivable at December 31 are as follows:

	2006	2005
	(in thousands)	
GNMA Certificates:		
1994 Program	$ 798	$ 1,012
1995 Program	1,464	1,967
1996 Program	3,351	4,225
1998AC Program	8,204	10,148
1999AB Program	7,408	9,019
2000AB Program	2,808	3,658
2000CDE Program	3,152	5,134
2000G-1 Program	2,427	3,052
2000G-2 Program	6,728	8,012
2001BC Program	9,321	12,062
2003A Program	10,912	12,491
2003C Program	19,110	22,654
2004A Program	11,676	14,510
2005A Program	14,571	631
2006A Program	20,168	-
2006B Program	10,343	-
	132,441	108,575
FNMA Certificates:		
1994 Program	144	251
1995 Program	289	306
1996 Program	281	421
1998AC Program	940	1,207
1999AB Program	968	1,316
2000AB Program	-	58
2000CDE Program	301	392
2000G-2 Program	143	357
2001BC Program	182	608
2003A Program	677	891
2003C Program	1,392	1,869
2004A Program	1,056	1,075
2005A Program	4,647	-
2006A Program	5,498	-
2006B Program	4,778	-
	21,296	8,751

(3) Mortgage Loans Receivable (continued)

	2006	2005
	(in thousands)	
Mortgage Loans:		
2003C Program	549	750
	$ 154,286	$ 118,076

All mortgage-backed securities are category 1 investments, as explained in note 2. Mortgage loan receivables are not categorized.

(4) Bonds Payable

Bonds payable are as follows at December 31:

	2006	2005
	(in thousands)	
Tax-Exempt Agency Mortgage-Backed Securities, Series 1994A dated November 30, 1994 - $915 due December 1, 2026 at 7.55%	$ 915	$ 1,285
Tax-Exempt Agency Mortgage-Backed Securities, Series 1995A dated August 29, 1995 - $1,380 due December 1, 2026 at 6.65%	1,380	1,870
Tax-Exempt Agency Mortgage-Backed Securities, Series 1996A dated November 26, 1996 - $3,425 due June 1, 2020 at 6.15%	3,425	4,385
Tax-Exempt Agency Mortgage-Backed Securities, Series 1997A dated August 1, 1997 - $2,045 due June 1, 2023 at 5.63%, and $5,295 due December 1, 2028 at 5.85%	7,340	7,340
Tax-Exempt Agency Mortgage-Backed Securities, Series 1998A-1 dated September 1, 1998 - $1,220 due December 2024 at 5.40%, $570 due June 2026 at 5.20%, and $7,265 due December 2029 at 5.25% (plus bond premium of $121)	9,176	11,058

(4) Bonds Payable (continued)

	2006	2005
Single Family Mortgage Revenue Refunding Bonds, Series 1999A-1 dated July 1, 1999 - \$1,465 due June 1, 2031 at 5.72%, \$2,455 due June 1, 2026 at 5.72%, and \$4,350 due June 1, 2031 at 6.75%; (plus premium on bonds of \$273)	8,543	10,155
Single Family Mortgage Revenue Refunding Bonds, Series 2000A-1 dated January 15, 2000 - \$615 due December 1, 2023 at 6.40%, \$1,190 due December 1, 2030 at 7.50%, and \$635 due June 1, 2031 at 6.50% (plus premium on bonds of \$233)	2,673	3,523
Single Family Mortgage Revenue Refunding Bonds, Series 2000C-1 dated June 15, 2000 - \$330 due June 1, 2029 at 7.00%, \$655 due June 1, 2031 at 6.15%, and \$330 due June 1, 2032 at 7.25%; Series 2000C-2 dated June 15, 2000 – matured on June 29, 2001; Tax-Exempt Agency Mortgage-Backed Refunding Securities, Series 2000D-1 dated June 15, 2000 - \$100 due June 1, 2010 at 5.60%, \$850 due December 1, 2025 at 6.10%, and \$875 due June 1, 2026 at 7.50%; Series 2000D-2 dated June 15, 2000 – matured on June 29, 2001; Taxable Agency Mortgage-Backed Refunding Securities, Series 2000E dated June 15, 2000 – matured on December 1, 2005 (plus premium on bonds of \$306)	3,446	5,117
Single Family Mortgage Revenue Refunding Bonds, Series 2000G-1 dated November 15, 2000 - \$2,125 due December 1, 2021 at 5.875% (less discount on bonds of \$142)	1,983	2,778
Single Family Mortgage Revenue Refunding Bonds, Series 2000G-2 dated January 10, 2001 - \$375 due June 1, 2020 at 5.45%, \$755 due December 1, 2020 at 5.45%, \$540 due December 1, 2031 at 5.55%, \$1,865 due June 1, 2032 at 5.55%, and \$3,095 due June 1, 2032 at 6.3% (plus premium on bonds of \$472)	7,102	8,677

(4) Bonds Payable (continued)

	2006	2005
Single Family Mortgage Revenue Refunding Bonds, Series 2001B-1 dated June 27, 2001 - $805 due December 1, 2021 at 5.4%, $1,365 due December 1, 2023 at 6.25%, $1,645 due June 1, 2032 at 5.5%, $1,495 due December 1, 2032 at 5.5%, $2,695 due December 1, 2033 at 5.25% thereafter 6.65%; Series 2001B-2 dated June 27, 2001 - $1,670 due June 1, 2018 at 5.0% thereafter 6.625%; and Series 2001C dated June 27, 2001 – matured on December 1, 2006 (plus premium on bonds of $691)	10,366	13,288
Single Family Mortgage Revenue Refunding Bonds, Series 20003A dated May 29, 2003 - $6,300 due June 1, 2026 at 5.125%, $2,550 due June 1, 2034 at 5.0%, $3,150 due December 1, 2034 at 5.0% (plus premium on bonds of $439)	12,439	13,877
Single Family Mortgage Revenue Refunding Bonds, Series 20003C dated December 11, 2003 - $4,830 due December 1, 2024 at 4.5%, $7,175 due December 1, 2026 at 5.5%, $4,580 due June 1, 2034 at 5.0%, $4,575 due December 1, 2034 at 5.0% (plus premium on bonds of $605)	21,765	25,711
Single Family Mortgage Revenue Refunding Bonds, Series 2004A dated June 17, 2004 - $935 due June 1, 2015 at 4.7%, $1,915 due December 1, 2024 at 5.1%, $2,000 due December 1, 2034 at 5.25%, $1,995 due June 1, 2035 at 5.25%, and $7,330 due December 1, 2035 at 5.9% (plus premium on bonds of $477)	14,652	15,892
Single Family Mortgage Revenue Refunding Bonds, Series 2005A dated July 21, 2005 - $1,610 due June 1, 2015 at 4.0%, $8,305 due December 1, 2035 at 4.65%, and $9,695 due June 1, 2036 at 5.55% (plus premium on bonds of $690)	20,300	20,744

(4) Bonds Payable (continued)

		2006		2005
Single Family Mortgage Revenue Refunding Bonds, Series 2006A dated March 28, 2006 - $30,000 due June 1, 2037 at 4.90% (plus premium on bonds of $1,163)		31,163		-
Single Family Mortgage Revenue Refunding Bonds, Series 2006B dated July 26, 2006 - $25,645 due December 1, 2032 at 5.25%, $3,000 due June 1, 2037 at 4.60% (plus premium on bonds of $1,319)		29,964		-
Single Family Mortgage Revenue Refunding Bonds, Series 2006C dated October 31, 2006 - $18,000 due June 1, 2033 at 5.0%, and $2,000 due December 1, 2038 at 5.0% (plus premium on bonds of $1,020)		21,020		-
Total bonds payable	$	207,652	$	145,700

The Authority is in compliance with its bond covenants.

The bonds in the 1991 Program (sold in 2002) are secured by an assignment and pledge of and security interest in: (i) all mortgage loans and the income therefrom (including all insurance proceeds with respect to the mortgage loans), (ii) the Authority's rights and interests in and to the agreement and (iii) all monies and securities held under the Trust Indentures, including monies in the funds and accounts created pursuant thereto (excluding certain monies representing excess investment earnings, if any, required to be remitted to the United States Government in accordance with the Trust Indentures).

Under the Trust Indentures, the Authority has the option to redeem bonds maturing on or after December 1, 2007 (1997A Program) at 102% of the then outstanding balance and subsequently lesser prices declining to par; April 1, 2008 (1998AC) at 102% of the then outstanding balance and subsequently lesser prices declining to par; June 1, 2009 long term bonds (1999AB Program) at 102% and June 1, 2009 premium bonds (1999AB Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par; December 29, 2009 long term bonds (2000AB Program) at 103% of the then outstanding balance and subsequently lesser prices declining to par; June 1, 2010 long term bonds (2000CDE Program) at 102% and Series C-1 bonds at 105% of the then outstanding balance and subsequently lesser prices declining to par; December 1, 2010 long term bonds (2000G1 Program) at 102% of the then outstanding balance and subsequently lesser prices declining to par; December 1, 2010 long term bonds (2000G2 and 2001BC) at 102% of the then outstanding balance and subsequently lesser prices declining to par and December 1, 2011 at 101% at the then outstanding balance and subsequently lesser prices declining to par; June 1, 2015 (2005A) at 101% of the then outstanding balance and subsequently lesser prices declining to par; December 1, 2015 (2006A) at 102.5% of the then outstanding balance and subsequently lesser prices declining to par; June 1, 2016 (2006B) at 103.0% of the

(4) Bonds Payable (continued)

then outstanding balance and subsequently lesser prices declining to par; and June 1, 2016 (2006C) at 103% of the then outstanding balance and subsequently lesser prices declining to par. The Authority has no option to redeem bonds in the 1994 Program.

In 2001, the 1985/1994R Program was sold resulting in a gain of $76,456. The gain is included in investment income on mortgage loans. In 2000, the 1989 Program was defeased and the 2000G1 bonds were issued in conjunction with the defeasance. Consequently, all residual funds from the 1989 Program were transferred to the 2000G1 Program upon its defeasance. In addition, the 1990 Program redeemed its bonds in their entirety at 102% of par.

In 1999, the Authority entered into an agreement to issue term bonds with a local bank, with an interest rate of 5.5%, secured by the 1999C bonds. The Authority authorized the issuance of $75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 1999C to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues. This program was defeased by the 2002B Program in 2002, with an initial interest rate of 1.42% with variable interest rates thereafter equal to the BMA Index plus 60 basis points.

In 2003, the Authority entered into a second agreement to issue term bonds with a local bank, with an initial interest rate of 1.10% with variable rates thereafter equal to 99.1% of the Taxable Interest Rate, not to exceed the maximum rate of 12% per annum, secured by the 2003B bonds. The Authority authorized the issuance of $75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 2003B to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues.

In 2004, the Authority entered into a third agreement to issue term bonds with a local bank, with an initial interest rate of 1.79% with variable rates thereafter equal to 100% of the Taxable Interest Rate, not to exceed the maximum rate of 12% per annum, secured by the 2004B Bonds. The Authority authorized the issuance of $75,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 2004B to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues.

In 2005, the Authority entered into a fourth agreement to issue term bonds with a local bank, with an initial interest rate of 3.7145% with variable rates thereafter equal to 85% of the Taxable Interest Rate, not to exceed the maximum rate of 12% per annum, secured by the 2005B Bonds. The Authority authorized the issuance of $100,000,000 Single Family Mortgage Revenue Refunding Bonds, Series 2005B to be issued as a draw down bond. The bonds proceeds will be used to refund portions of one or more of the Authority's outstanding bond issues.

The other bond programs have early bond calls based on the timing of the receipt of mortgage loan principal and interest payments. As excess cash is accumulated, the Authority is required to issue bond calls.

JEFFERSON PARISH FINANCE AUTHORITY

Notes to Financial Statements
(in thousands)

December 31, 2006

(4) Bonds Payable (continued)

A summary of scheduled bond maturities (in thousands) as of December 31, 2006 is as follows:

	2007	2008	2009	2010	2011	2012-2016	2017-2021	2022-2026	2027-2031	2032-2036	2037-2041	Premiums (Discounts)	Total
Principal:													
1994 Program	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 915	$ -	$ -	$ -	$ -	$ 915
1995 Program	-	-	-	-	-	-	-	1,380	-	-	-	-	1,380
1996 Program	-	-	-	-	-	-	3,425	-	-	-	-	-	3,425
1997A Program	-	-	-	-	-	-	-	2,045	5,295	-	-	-	7,340
1998AC Program	-	-	-	-	-	-	-	1,790	7,265	-	-	121	9,176
1999AB Program	-	-	-	-	-	-	-	2,455	5,815	-	-	273	8,543
2000 AB Program	-	-	-	-	-	-	615	-	1,825	-	-	233	2,673
2000 CDE Program	-	-	-	100	-	-	-	1,725	985	330	-	306	3,446
2000 G1 Program	-	-	-	-	-	-	2,125	-	-	-	-	(142)	1,983
2000 G2 Program	-	-	-	-	-	-	1,130	-	540	4,960	-	472	7,102
2001 BC Program	-	-	-	-	-	-	2,475	1,365		5,835	-	691	10,366
2003A Program	-	-	-	-	-	-	-	6,300	-	5,700	-	439	12,439
2003C Program	-	-	-	-	-	-	-	12,005	-	9,155	-	605	21,765
2004A Program	-	-	-	-	-	935	-	1,915	-	11,325	-	477	14,652
2005A Program	-	-	-	-	-	1,610	-	-	-	18,000	-	690	20,300
2006A Program	-	-	-	-	-	-	-	-	-	-	30,000	1,163	31,163
2006B Program	-	-	-	-	-	-	-	-	-	25,645	3,000	1,319	29,964
2006C Program	-	-	-	-	-	-	-	-	-	18,000	2,000	1,020	21,020
Total	-	-	-	100	-	2,545	9,770	31,895	21,725	98,950	35,000	7,667	207,652
Interest:													
1994 Program	69	69	69	69	69	345	345	345	-	-	-	-	1,380
1995 Program	92	92	92	92	92	459	459	459	-	-	-	-	1,837
1996 Program	199	199	199	199	199	993	794	-	-	-	-	-	2,782
1997A Program	425	425	425	425	425	2,124	2,124	1,779	619	-	-	-	8,771
1998AC Program	477	477	477	477	477	2,385	2,385	2,253	1,144	-	-	-	10,552
1999AB Program	518	518	518	518	518	2,589	2,589	2,589	1,887	-	-	-	12,244
2000 AB Program	170	170	170	170	170	849	849	731	563	-	-	-	3,842
2000 CDE Program	210	210	210	210	205	1,024	1,024	972	390	24	-	-	4,479
2000 G1 Program	125	125	125	125	125	624	624	-	-	-	-	-	1,873
2000 G2 Program	390	390	390	390	390	1,949	1,887	1,641	1,641	298	-	-	9,366
2001 BC Program	591	591	591	591	591	2,956	2,625	1,930	1,759	531	-	-	12,756
2003A Program	608	608	608	608	608	3,039	3,039	3,039	1,425	855	-	-	14,437
2003C Program	1,070	1,070	1,070	1,070	1,070	5,348	5,348	4,914	2,289	1,373	-	-	24,622
2004A Program	784	784	784	784	784	3,875	3,699	3,504	3,211	2,464	-	-	20,673
2005A Program	988	988	988	988	988	4,879	4,621	4,621	4,621	4,235	-	-	27,917
2006A Program	1,470	1,470	1,470	1,470	1,470	7,350	7,350	7,350	7,350	7,350	1,470	-	45,570
2006B Program	1,484	1,484	1,484	1,484	1,484	7,422	7,422	7,422	7,422	2,036	138	-	39,282
2006C Program	1,000	1,000	1,000	1,000	1,000	5,000	5,000	5,000	5,000	1,000	3,200	-	29,200
Total due each year	10,670	10,670	10,670	10,670	10,665	53,210	52,184	48,549	39,321	20,166	4,808	-	271,583
Total due	$10,670	$10,670	$10,670	$10,770	$10,665	$55,755	$61,954	$80,444	$61,046	$119,116	$39,808	$ 7,667	$479,235

(4) Bonds Payable (continued)

The principal balance on defeased bonds outstanding at December 31 are as follows:

		2006	2005
1979 Program - (defeased by the 1991 Program)	$	51,550,000	51,550,000
1985 Program - (defeased by the 1994 "1985" Program)	$	32,595,000	32,595,000
1991 Program (sold)	$	1,500,000	1,500,000

(5) Deferred Commitment Fees

No commitment fees were deferred as of December 31, 2006 and 2005.

(6) Net Assets

The net assets included in the 1991 Program, totaling $1,589,000 and $1,969,000 as of December 31, 2006 and 2005, respectively, are for the benefit of all Programs and available to the Authority for its purpose of promoting and providing residential housing in the Parish of Jefferson. Although unrestricted to a particular program, the unrestricted net assets must be maintained by the Authority until all bonds and programs are liquidated. The remaining net assets are restricted for specific operating uses as described in the trust indentures.

(7) Commitments

In February 1997, the Authority signed an operating lease for office space for a term of ten years, beginning on May 1, 1997 and ending on April 30, 2007. The lease requires an annual payment of $17,160.

JEFFERSON PARISH FINANCE AUTHORITY

Schedule of Assets, Liabilities and Net Assets by Program
(in thousands)

For the year ended December 31, 2006
(See Accompanying Independent Auditor's Report)

	1991 Program	1994 Program	1995 Program	1996 Program	1997A Program	1998AC Program	1999AB Program	2000AB Program	2000CDE Program	2000G-1 Program
Assets										
Cash and cash equivalents	$ 618	$ 1	$ 2	$ 2	$ -	$ 58	$ 29	$ 54	$ 360	$ 815
Investment securities, at fair value	962	19	26	99	7,998	525	467	102	457	81
Mortgage loans receivable and mortgage-backed securities	-	942	1,753	3,632	-	9,144	8,376	2,808	3,453	2,427
Accrued interest receivable	9	6	10	19	41	45	46	17	23	19
Bond issuance costs, net	-	44	25	64	106	153	147	140	167	107
Total assets	$ 1,589	$ 1,012	$ 1,816	$ 3,816	$ 8,145	$ 9,925	$ 9,065	$ 3,121	$ 4,460	$ 3,449
Liabilities and Net Assets										
Liabilities:										
Bonds payable, net	$ -	$ 915	$ 1,380	$ 3,425	$ 7,340	$ 9,176	$ 8,543	$ 2,673	$ 3,446	$ 1,983
Term bonds	-	-	-	-	-	-	-	-	-	-
Accrued interest payable	-	6	7	17	35	39	43	14	17	10
Deferred interest payable	-	-	-	-	-	-	-	-	-	-
	-	921	1,387	3,442	7,375	9,215	8,586	2,687	3,463	1,993
Net Assets:										
Restricted for debt	-	91	429	374	770	710	479	434	997	1,456
Unrestricted	1,589	-	-	-	-	-	-	-	-	-
Total net assets	1,589	91	429	374	770	710	479	434	997	1,456
Total liabilities and net assets	$ 1,589	$ 1,012	$ 1,816	$ 3,816	$ 8,145	$ 9,925	$ 9,065	$ 3,121	$ 4,460	$ 3,449

	2000G-2 Program	2001BC Program	2002B Program	2003 A Program	2003 C Program	2004 A Program	2005A Program	2005B Program	2006A Program	2006B Program	2006C Program	Total
Assets												
Cash and cash equivalents	$ 5	$ -	$ -	$ 4	$ 7	$ -	$ 34	$ 383	$ 46	$ 129	$ 70	$ 2,617
Investment securities, at fair value	245	650	-	433	757	359	313	48,800	4,354	14,183	21,119	101,949
Mortgage loans receivable and mortgage-backed securities	6,871	9,503	-	11,589	21,051	12,732	19,218	-	25,666	15,121	-	154,286
Accrued interest receivable	36	53	-	52	99	70	88	231	130	125	85	1,204
Bond issuance costs, net	245	315	-	237	394	314	337	10	534	502	336	4,177
Total assets	$ 7,402	$ 10,521	$ -	$ 12,315	$ 22,308	$ 13,475	$ 19,990	$ 49,424	$ 30,730	$ 30,060	$ 21,610	$ 264,233
Liabilities and Net Assets												
Liabilities:												
Bonds payable, net	$ 7,102	$ 10,366	$ -	$ 12,439	$ 21,765	$ 14,652	$ 20,300	$ -	$ 31,163	$ 29,964	$ 21,020	$ 207,652
Term bonds	-	-	-	-	-	-	-	48,800	-	-	-	48,800
Accrued interest payable	32	49	-	50	89	65	82	188	122	112	88	1,065
Deferred interest payable	-	-	-	-	-	-	-	-	-	54	-	54
	7,134	10,415	-	12,489	21,854	14,717	20,382	48,988	31,285	30,130	21,108	257,571
Net Assets:												
Restricted for debt	258	106	-	(174)	454	(1,242)	(392)	436	(555)	(70)	502	5,073
Unrestricted	-	-	-	-	-	-	-	-	-	-	-	1,589
Total net assets	258	106	-	(174)	454	(1,242)	(392)	436	(555)	(70)	502	6,662
Total liabilities and net assets	$ 7,402	$ 10,521	$ -	$ 12,315	$ 22,308	$ 13,475	$ 19,990	$ 49,424	$ 30,730	$ 30,060	$ 21,610	$ 264,233

See auditors' report.

JEFFERSON PARISH FINANCE AUTHORITY

Schedule of Revenues, Expenses, and Changes in Net Assets by Program
(in thousands)

For the year ended December 31, 2006
(See Accompanying Independent Auditor's Report)

	1991 Program	1994 Program	1995 Program	1996 Program	1997A Program	1998AC Program	1999AB Program	2000AH Program	2000CDE Program	2000G-1 Program	2000G-2 Program
Operating revenues:											
Investment income on mortgage loans	$ -	$ 83	$ 139	$ 270	$ -	$ 620	$ 586	$ 225	$ 298	$ 219	$ 482
Appreciation (depreciation) in market value of investments	-	(28)	(54)	(99)	-	(141)	(156)	(52)	(85)	(69)	(130)
Investment income on investments	79	9	12	19	485	47	47	21	53	77	37
Servicer Release Fee	150	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	3	-	-	-	-	-	-	-	-	-	-
Total operating revenues	232	64	97	190	485	526	477	194	266	227	389
Operating expenses:											
Interest on debt	-	87	115	240	425	510	542	185	233	173	415
Amortization of bond issuance costs and other costs	-	4	62	6	10	42	22	15	33	14	21
Servicing fees	-	5	9	18	-	49	45	15	21	12	36
Mortgage loan insurance costs	-	-	-	-	-	-	-	-	-	-	-
Trustee fees	8	-	-	4	4	4	3	4	4	4	4
Other operating expenses	525	-	-	-	-	-	-	-	-	-	-
Total operating expenses	533	96	186	268	439	605	612	219	291	203	476
Change in net assets before other financing sources (uses)	(301)	(32)	(89)	(78)	46	(79)	(135)	(25)	(25)	24	(87)
Other financing sources (uses)											
Operating transfers	(79)	(1)	(5)	(9)	-	(24)	(19)	(7)	(11)	(1,067)	(18)
Change in net assets	(380)	(33)	(94)	(87)	46	(103)	(154)	(32)	(36)	(1,043)	(105)
Net assets at beginning of the period	1,969	124	523	461	724	813	633	466	1,033	2,499	373
Net assets at end of the period	$ 1,589	$ 91	$ 429	$ 374	$ 770	$ 710	$ 479	$ 434	$ 997	$ 1,456	$ 268

	2001BC Program	2002B Program	2003 A Program	2003 C Program	2004A Program	2005A Program	2005B Program	2006A Program	2006B Program	2006C Program	Total
Operating revenues:											
Investment income on mortgage loans	$ 726	$ -	$ 691	$ 1,361	$ 880	$ 693	$ -	$ 294	$ 71	$ -	$ 7,638
Appreciation (depreciation) in market value of investments	(196)	-	(84)	(134)	(1,451)	(702)	-	(958)	(639)	-	(4,978)
Investment income on investments	51	-	21	-	25	293	2,807	632	530	85	5,330
Servicer Release Fee	-	-	-	-	-	-	-	-	-	-	150
Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-	3
Total operating revenues	581	-	628	1,227	(546)	284	2,807	(32)	(38)	85	8,143
Operating expenses:											
Interest on debt	489	-	614	1,130	786	951	2,386	910	546	88	10,825
Amortization of bond issuance costs and other costs	101	-	22	44	26	26	195	17	15	-	675
Servicing fees	54	-	63	113	75	56	-	37	16	-	624
Mortgage loan insurance costs	-	-	-	-	-	-	-	-	-	-	-
Trustee fees	4	-	5	9	6	8	-	6	-	9	86
Other operating expenses	-	-	-	7	-	2	1	2	6	-	543
Total operating expenses	648	-	704	1,303	893	1,043	2,582	972	583	97	12,753
Change in net assets before other financing sources (uses)	(67)	-	(76)	(76)	(1,439)	(759)	225	(1,004)	(621)	(12)	(4,610)
Other financing sources (uses)											
Operating transfers	(27)	(7)	(31)	(56)	(36)	(117)	-	449	551	514	-
Change in net assets	(94)	(7)	(107)	(132)	(1,475)	(876)	225	(555)	(70)	502	(4,610)
Net assets at beginning of the period	200	7	(67)	586	233	484	211	-	-	-	11,272
Net assets at end of the period	$ 106	$ -	$ (174)	$ 454	$ (1,242)	$ (392)	$ 436	$ (555)	$ (70)	$ 502	$ 6,662

See auditors' report.

JEFFERSON PARISH FINANCE AUTHORITY

Schedule of Cash Flows by Program
(in thousands)

For the year ended December 31, 2006
(See Accompanying Independent Auditor's Report)

	1991 Program	1994 Program	1995 Program	1996 Program	1997A Program	1998AC Program	1999AB Program	2000AB Program	2000CDE Program	2000G-1 Program	2000G-2 Program	2001 BC Program	2002 B Program	2003 A Program	2003 C Program	2004 A Program	2005A Program	2005B Program	2006A Program	2006B Program	2006C Program	Total
Cash receipts for:																						
Investment income on mortgage loans	$ -	$ 85	$ 141	$ 274	$ -	$ 630	$ 592	$ 229	$ 306	$ 221	$ 488	$ 741	$ -	$ 702	$ 1,362	$ 888	$ 609	$ -	$ 177	$ 8	$ -	$ 7,453
Investment income on investments	74	9	12	19	485	46	47	21	53	79	37	50	-	20	16	24	349	2,576	619	468	-	5,004
Cash payments for:																						
Interest on debt	-	(89)	(118)	(246)	(425)	(551)	(591)	(215)	(303)	(158)	(462)	(726)	-	(658)	(1,212)	(832)	(1,007)	(2,198)	(825)	(415)	-	(11,031)
Servicing fees	-	(5)	(9)	(18)	-	(49)	(45)	(15)	(21)	(12)	(36)	(54)	-	(63)	(113)	(75)	(56)	-	(37)	(16)	-	(624)
Other revenue	153	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	153
Other operating expenses	(533)	-	-	(4)	(4)	(4)	(3)	(4)	(4)	(4)	(4)	(4)	-	(5)	(16)	(6)	(10)	(1)	(8)	(6)	(9)	(629)
Net cash provided by (used in) operating activities	(306)	-	26	25	56	72	-	16	31	126	23	7	-	(4)	37	(1)	(115)	377	(74)	39	(9)	326
Cash flows from noncapital financing activities -																						
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,200	30,000	21,020	82,220
Bonds redeemed (payments)	-	(370)	(490)	(960)	-	(1,850)	(1,570)	(825)	(1,610)	(815)	(1,535)	(2,700)	-	(1,400)	(3,880)	(1,200)	(390)	-	-	-	-	(19,595)
Term bond proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,528	-	-	-	11,528
Term bonds redeemed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,200)	-	-	-	(31,200)
Bond issue costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(55)	(551)	(518)	(336)	(1,460)
Operating transfers	(79)	(1)	(5)	(9)	-	(24)	(19)	(7)	(11)	(1,067)	(18)	(27)	(7)	(31)	(56)	(36)	(117)	-	449	551	514	-
Net cash provided by (used in) noncapital financing activities	(79)	(371)	(495)	(969)	-	(1,874)	(1,589)	(832)	(1,621)	(1,882)	(1,553)	(2,727)	(7)	(1,431)	(3,936)	(1,236)	(507)	(19,727)	31,098	30,033	21,198	41,493
Cash flows from investing activities																						
Proceeds from sale of investment	479	77	3	28	-	-	-	-	-	242	162	-	-	-	3,829	-	19,909	19,672	-	-	-	44,401
Acquisition of investments	-	-	-	-	(56)	(266)	(214)	(39)	(399)	-	-	(254)	-	(271)	-	(267)	-	-	(4,354)	(14,183)	(21,119)	(41,422)
Acquisition of mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,288)	-	(26,624)	(15,760)	-	(61,672)
Principal receipts from mortgage loans	-	293	466	915	-	2,070	1,803	857	1,988	557	1,367	2,970	-	1,710	68	1,402	-	-	-	-	-	16,466
Net cash provided by (used in) investing activities	479	370	469	943	(56)	1,804	1,589	818	1,589	799	1,529	2,716	-	1,439	3,897	1,135	621	19,672	(30,978)	(29,943)	(21,119)	(42,227)
Net increase (decrease) in cash and cash equivalents	94	(1)	-	(1)	-	2	-	2	(1)	(957)	(1)	(4)	(7)	4	(2)	(102)	(1)	322	46	129	70	(408)
Cash and cash equivalents at beginning of period	524	2	2	3	-	56	29	52	361	1,772	6	4	7	-	9	102	35	61	-	-	-	3,025
Cash and cash equivalents at end of period	$ 618	$ 1	$ 2	$ 2	$ -	$ 58	$ 29	$ 54	$ 360	$ 815	$ 5	$ -	$ -	$ 4	$ 7	$ -	$ 34	$ 383	$ 46	$ 129	$ 70	$ 2,617
Cash provided by (used in) operating activities:																						
Net change in net assets before other financing uses	$ (301)	$ (32)	$ (89)	$ (78)	$ 46	$ (79)	$ (135)	$ (25)	$ (25)	$ 24	$ (87)	$ (67)	$ -	$ (76)	$ (76)	$ (1,439)	$ (759)	$ 225	$ (1,004)	$ (621)	$ (12)	$ (4,610)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:																						
Amortization of bond issuance and other costs	-	4	62	6	10	42	22	15	33	14	21	101	-	22	44	26	26	195	17	15	-	675
Amortization of bond (premium) discount	-	-	-	-	-	(33)	(42)	(25)	(61)	19	(40)	(222)	-	(38)	(66)	(40)	(54)	-	(37)	(35)	-	(674)
Unrealized (gains) losses on investments	-	28	54	99	-	141	156	52	85	69	130	196	-	84	134	1,451	702	-	958	639	-	4,978
Changes in assets and liabilities:																						
(Increase) decrease in accrued interest receivables	(5)	2	2	4	-	9	6	4	8	4	6	14	-	10	17	7	(28)	(231)	(130)	(125)	(85)	(511)
(Increase) decrease in prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Increase) decrease in other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in accrued interest payable	-	(2)	(3)	(6)	-	(8)	(7)	(5)	(9)	(4)	(7)	(15)	-	(6)	(16)	(6)	(2)	188	122	166	88	468
Net cash provided by (used in) operating activities	$ (306)	$ -	$ 26	$ 25	$ 56	$ 72	$ -	$ 16	$ 31	$ 126	$ 23	$ 7	$ -	$ (4)	$ 37	$ (1)	$ (115)	$ 377	$ (74)	$ 39	$ (9)	$ 326

See auditors' report.

Schedule 4

JEFFERSON PARISH FINANCE AUTHORITY

Schedule of Board Members' Compensation

December 31, 2006 and 2005

The members of the Authority's Board of Trustees receive per diem payments for meetings attended and services rendered and are also reimbursed for actual expenses incurred in the performance of their duties as members of the Board of Trustees. For the year ended December 31, 2006, the following per diem payments were made to the members of the Authority's board:

Number of Meetings:

	Regular Per Diems	Extra Per Diems	2006 Total
Bicknell, Margaret R.	43	14	57
Bourg, Alton L.	43	24	67
Dunn, Lester	27	16	43
Johnson, Marvin	44	11	55
Lambert, Robert J.	42	16	58
Lawson, Arthur S.	28	0	28
Miserendino, Guiseppe R.	30	14	44
Muscarello, Frank, L.	32	6	38
Wimberly, Dorothy H.	-	-	-

Per Diem Payments:

	2006
Bicknell, Margaret R.	$ 5,700
Bourg, Alton L.	6,700
Dunn, Lester	4,300
Johnson, Marvin	5,500
Lambert, Robert J.	5,800
Lawson, Arthur S.	2,800
Miserendino, Guiseppe R.	4,400
Muscarello, Frank	3,800
Wimberly, Dorothy H.	-
	$ 39,000

See auditors' report.

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REPORT ON INTERNAL CONTROL AND COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORANCE WITH *GOVERNMENT AUDITING STANDARDS*

Commissioners
Jefferson Parish Finance Authority
Gretna, Louisiana:

We have audited the financial statements of Jefferson Parish Finance Authority (the Authority), as of and for the year ended December 31, 2006, and have issued our report thereon dated May 15, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, the Authority's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

Metairie, Louisiana
May 15, 2007

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